

**CITY OF LANSING
JOINT EMPLOYEES' RETIREMENT SYSTEM
And POLICE AND
FIRE RETIREMENT SYSTEM
MEETING MINUTES**

Joint Meeting
10th Floor Conference Room

May 26, 2022
Thursday, 8:30 a.m.

The meeting was called to order at 8:32 a.m.

A quorum of both Retirement Boards were present.

Trustees present: (ERS) Bahr, Dedic, Ebright, Kirkland, Kraus, Parker, Schor (10:05), – 7.

(Police & Fire), Kirkland, Moore, Schor (10:05), Taylor, C. Wilcox, R. Wilcox, Wohlfert, Wood –7.

Excused: ERS: Garza, Sanchez-Gazella

Excused: Police & Fire: Wood

Others present: Karen Williams, Human Resources Department; Attorney Joseph Abood, City Attorney's Office; Aaron L. Castle, VanOverbeke, Michaud & Timmony, P.C.; George Tarlas, Asset Consulting Group; Sally Corbin, Union Agency Services; Larry Fumarolo, Northern Trust.

It was moved by Trustee C. Wilcox and supported by Trustee Moore to excuse Trustee Wood of the Police and Fire Retirement System from the May Joint Retirement System Board meeting.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Dedic and supported by Trustee Kirkland to excuse Trustee Garza, Sanchez-Gazella of the Employees' Retirement System from the May Joint Retirement System Board meeting.

Adopted by the following vote: 8 – 0.

Ms. Sally Corbin, Union Services Agency, provided proposals for the Employees' Retirement System and the Police and Fire Retirement System Board for Municipal Fiduciary liability. Ms. Corbin provided an overview of insurance services offered for Municipal and Governmental Fiduciary Liability. Ms. Corbin reviewed quotes for different limits of liability insurance for each separate board or the joint boards could have a shared limit.

The Boards discussed various scenarios where liability insurance would be implemented.

Attorney Abood indicated that there is coverage for the retirement Boards under the budget policy for trustees. There would not be coverage if there was a breach in fiduciary duty. Attorney Abood inquired would the proposed policies provide coverage to the Boards.

Ms. Corbin responded that the municipal fiduciary liability was designed to provide coverage for a possible breach in fiduciary duty.

Attorney Castle inquired about best practices for limits for a plan the size of the City of Lansing.

Ms. Corbin indicated that the proposals presented fall within the benchmark for a plan the size and scope of the City of Lansing.

The Board agreed to further review with a decision on coverage at the June meeting.

It was moved by Trustee Chris Wilcox and supported by Trustee Taylor to approve the Official minutes of the Police and Fire Retirement System Board meeting of April 19, 2022.

Adopted by the following vote: 6 -0

It was moved by Trustee Kraus and supported by Trustee Ebright to approve the Official minutes of the Employees' Retirement System Board of April 19, 2022.

Adopted by the following vote: 6 -0

Secretary's Report (Police and Fire):

0 new sworn fire member(s), 2 new sworn police members, 0 reinstatement(s), 1 refund(s), 0 transfers, 2 retired. Total: Active membership: 372. 1 death(s) Mary Hethorn, died 4/1/2022, age 89, spouse of Fire retiree. Refunds made since the last regular meeting amounted to \$6,636.68. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of April 2022 amounted to \$3,035,792.01. Total retirement checks printed for the P&F System: 772. Total retirement checks printed for both systems: 1,710. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified:1.

Secretary's Report (Employees' Retirement System):

4 new member(s), 0 reinstatement(s), 1 refund(s), 0 transfers, 0 retired. Total active membership: 492. Total deferred: 75. 5 death(s): Antonio Benavides, (Mayor, retired 1/1/2006), died 4/10/2022, age 84, spouse to receive 100%; Robert Goodsell (Parks, Teamster – Retired 12/19/1980), died 2/12/2022, age 90, spouse to receive 50%; Mary C. Ryan, died 4/6/2022, age 96, beneficiary of District Court Teamster retiree; Jacqueline E. Sanderson (Parks-Teamster, retired 5/7/1944), died 4/19/2022, age 92, no surviving beneficiary; Roddy B. Yeager, (Public Service – Teamster, retired 10/18/2003), died 4/10/2022, age 71, no beneficiary. Refunds made since the last regular meeting mounted to \$15,447.55. Retirement allowances paid for the month of April 2022, amounted to \$2,026,817.37. Total retirement checks printed for the ERS System: 938. Total Retirement checks printed for both systems: 1,710. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

There were no public comments.

It was moved by Trustee R. Wilcox and supported by Trustee Moore to approve the following applications for Regular Age and Service Retirement (Police and Fire):

Brent A. Erk (Police – CCLP Nonsupervisory), 25 years of service credits, age 48, effective June 17, 2022)

Michael Schulte (Police – CCLP Nonsupervisory), 25 years of service credits, age 48, effective June 17, 2022 (Sworn Date: 7/19/1997)

Adopted by the following vote: 6 -0

It was moved Trustee Bahr and supported by Trustee Kirkland for the Employees' Retirement System to reconsider the motion to approve following application for regular age and service retirement, and to deny the application:

Tamara Marsh (District Court, Non-Represented), 25 years, 2 months of service credit eligibility, age 52, May 17, 2022

Adopted by the following vote: 6 -0.

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It was moved Trustee Wood and supported by Trustee Chris Wilcox for the Police and Fire Retirement System legal counsel draft a letter that addresses the finding of the external auditor, and that it be sent to the City to be attached to the final audit and then forwarded to the State of Michigan.

Adopted by the following vote: 6 -0.

It was moved Trustee Bahr and supported by Trustee Kraus for the Employees' Retirement System to approve the following regular age and service retirement applications:

Bonnie J. White (District Court -Teamster 243), 12 years, 8 months of service credits, age 58, effective May 1, 2022 (From Deferred)

Steven E. Rogers (Finance – Teamster 243), 27 years, 4 months of service credits, age 57, effective June 17, 2022

Steve Vanacker (Public Service – UAW), 19 years, 5 months of service credits, age 58, effective June 23, 2022

Tamara Marsh (District Court, Non-Represented), 25 years, 2 months of service credit eligibility, age 52, June 1, 2022 (date change)

Adopted by the following vote: 6 -0.

Karen Williams reported that the medical report for Applicant #2022-F0315 had been received and provided to the Police and Fire Retirement System Board disability subcommittee for review. The disability subcommittee has met and has a recommendation for the Board.

It was moved by Trustee C. Wilcox and supported by Trustee Taylor to approve the request for duty disability for Applicant #2022-F0315 of the Police and Fire Retirement System as recommended by the medical director.

Adopted by the following vote: 6-0.

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Karen Williams reported that the medical report for Applicant #2022-E0118 had been received and provided to the Employees' Retirement System Board disability subcommittee for review. The disability subcommittee has met and has a recommendation for the Board.

It was moved by Trustee Bahr and supported by Trustee Kirkland to approve the request for duty disability for Applicant #2022-F0315 of the Employees' Retirement System as recommended by the medical director.

Adopted by the following vote: 6-0.

Karen Williams reported that the medical report for Applicant #2021-E1108 had been received and provided to the Employees' Retirement System Board disability subcommittee for review. The report is pending for further review by Human Resources and disability subcommittee.

Karen Williams reported that the medical report for Applicant #2022-E1214 had been received and provided to the Employees' Retirement System Board disability subcommittee for review. The disability subcommittee has met and has a recommendation for the Board.

It was moved by Trustee Bahr and supported by Trustee Kirkland to approve the request for duty disability for Applicant #2022-E1214 of the Employees' Retirement System as recommended by the medical director.

Adopted by the following vote: 6-0.

Trustee Kirkland provided an oral report for MAPERS Conference on behalf of the Employees' Retirement System Board and the Police and Fire Retirement System Board. Trustee Kirkland stated that the Conference was good training. Trustee Kirkland discussed the trustee responsibility workshop that reviewed fiduciary responsibility. Trustee Kirkland also discuss workshops that reviewed actuarial policies, investments, and a legislative update. Trustee Kirkland also provided an overview of the workshop that discussed unfunded liability funding.

There were no requests for refund of accumulated contributions for the Police and Fire Retirement System.

It was moved by Trustee Dedic and supported by Trustee Bahr to approve the following refund of accumulated contributions:

Eric Brewer, NonBargaining, not vested, 29,125.07

Adopted by the following: 6 – 0.

There were no comments for items not on the agenda.

Karen Williams reported the Police and Fire Retirement System May Invoices from VanOverbeke, Michaud & Timmony, PC, Western Asset Management, and Tegrit.

Trustee R. Wilcox inquired if the contract for Tegrit had been completed.

Attorney Castle reported that the Tegrit contract was still pending, and the rate reflected had not been approved.

It was moved by Trustee R. Wilcox and supported by Trustee Kirkland to approve payments for Vanoverbeke, Michaud & Timmony, P.C. and Western Asset Management for the Police and Fire Retirement System Board.

Adopted by the following vote: 6 – 0.

Karen Williams reviewed the quarterly expenses for the Police and Fire Retirement System Board.

Karen Williams reported that 12 duty disability income verifications had been received and 10 were outstanding. The retirees who had outstanding income verification would receive a final notice.

It was moved by Trustee R. Wilcox and supported by Trustee Kirkland to approve payments for Vanoverbeke, Michaud & Timmony, P.C. and Western Asset Management for the Employees Retirement System Board.

Adopted by the following vote: 6 – 0

Karen Williams reported the annual budget was pending waiting for Tegrit and fiduciary liability information for the Police and Fire Retirement System Board.

Karen Williams reported the Employees' Retirement System May Invoices from VanOverbeke, Michaud & Timmony, PC, Western Asset Management, and Tegrit.

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It was moved by Trustee R. Wilcox and supported by Trustee Kirkland to approve payments for Vanoverbeke, Michaud & Timmony, P.C. and Western Asset Management for the Employees Retirement System Board.

Adopted by the following vote: 6 – 0

Karen Williams reviewed the quarterly expenses for the Employees' Retirement System.

Karen Williams reported the annual budget was pending waiting for Tegrity and fiduciary liability information for the Employees 'Retirement System Board.

Karen Williams provided an update regarding the Trustee Election for the Employees' Retirement System Board. Nominating petitions would be due June 2, 2022, and if an election were needed, the primary would be held June 16, 2022, and the General would be held June 29, 2022. If the Board receives only one valid nominating petition, that nominee would be declared the winner for the position.

Attorney Castle provided a copy of the relined agreement reflecting Tegrity's comments/revisions to the Boards' proposed amendments. Attorney Castle reviewed the termination provision, the monthly reporting of service hours, contract duration, and purchase of additional blocks of technical service.

It was moved by Trustee R. Wilcox and supported by Trustee C. Wilcox to approve the Tegrity contract for five years and pay the outstanding invoices for Tegrity for the Police and Fire Retirement System Board.

Adopted by the following vote: 6 – 0.

It was moved by Trustee Dedic and supported by Trustee Bahr to approve the Tegrity contract for five years and pay the outstanding invoices for Tegrity for the Employees' Retirement System Board.

Adopted by the following vote: 6 – 0.

Attorney Castle will provide the approved copies to Tegrity for signature.

Attorney Castle updated the retirement boards regarding the outstanding disability retirement policy and procedures and the reciprocal retirement policy. Attorney Castle has been in contact with Attorney Abood from the City Attorney's Office. Attorney Abood indicated that the policies had been forwarded to the chief labor negotiator and the human resources department to ensure compliance with collective bargaining agreements.

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Karen Williams updated the retirement boards regarding administrative support for the retirement office as requested by Trustee Sanchez-Gazella. Trustee Sanchez-Gazella requested a support person for six months to work on board-related, retirement issues and projects to be paid by the Boards. The Retirement Office has been working with the hiring specialist for administrative support. The hiring specialist have provided several resumes for the Boards consideration.

Trustee Eric Wohlfert referred the resumes to the Special Projects subcommittee.

Trustee Dennis Parker referred the resumes to the Special Projects subcommittee.

Mr. Larry Fumarolo, Northern Trust, presented an overview of the Northern Trust Company. He reviewed the business model, financial strength and stability and global diversity, equity, and inclusion. Mr. Fumarolo discussed cyber security and reviewed the investment management funds held in custody through Northern Trust. Mr. Fumarolo provided an overview of the available banking services offered for the retirement boards and the move toward electronic/digital services. Mr. Fumarolo recommended bringing all the retirement board's investment manager under custody of Northern Trust.

Mr. Fumarolo explained how contributions would come from the City of Lansing and the administrative and investment expenses could be paid through Northern Trust. Northern Trust could consolidate all accounts and provide reporting for these services.

Trustee Kirkland reviewed that retirement payments are separate from how the expenses and contributions are paid. Trustee Kirkland recommended that the proposed changes should be done incremental and all at once

Mr. Fumarolo will provide pricing for the different banking services discussed.

Mr. George Tarlas explained that Asset Consulting Group does provide the entire portfolio within its monthly reporting. Mr. Tarlas will review the proposal and recommend efficiencies for the retirement Boards.

M. George Tarlas reviewed the Quarterly Performance reports for the 1st quarter of 2022. Mr. Tarlas discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending March 31, 2022. Mr. Tarlas reviewed current market environment and discussed the inflation and interest rates. Mr. Tarlas provided a review of the structure of both plans and discussed fees and asset allocation.

Mr. Tarlas reviewed the Boards' current portfolio for the period ending April 30, 2022. Mr. Tarlas discussed the Boards' real estate managers investments. would provide recommendations at the next meeting for changes to the real estate portfolio. Mr. Tarlas thanked the trustees who were able to attend the due diligence trip.

It was moved by Trustee Chris Wilcox and supported by Trustee Justin Moore to adjourn the May Joint Retirement System Board for the Police and Fire Retirement System.

Adopted by following vote: unanimous

It was moved by Trustee Bahr and supported by Trustee Ebright to adjourn the May Joint Retirement System Board for the Employees Retirement System.

Adopted by following vote: unanimous

The Meeting adjourned at 10:40 a.m.

Minutes approved on 6/21/2022

Desiree Kirkland, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System